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BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of )

Federal State Joint Board on Universal Service )

Forward-Looking Mechanism For High Cost  
Support )

CC Docket No. 96-45

CC Docket No. 97-160

REQUEST FOR A FURTHER EXTENSION OF TIME  
TO FILE COST MODELS BY THE  
NATIONAL ASSOCIATION OF REGULATORY UTILITY COMMISSIONERS

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February 24, 1998

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

<b>In the Matter of</b>	)	
<b>Federal State Joint Board on Universal Service</b>	)	<b>CC Docket No. 96-45</b>
<b>Forward-Looking Mechanism For High Cost Support</b>	)	<b>CC Docket No. 97-160</b>

**REQUEST FOR A FURTHER EXTENSION OF TIME  
TO FILE COST MODELS BY THE  
NATIONAL ASSOCIATION OF REGULATORY UTILITY COMMISSIONERS**

Pursuant to Sections 1.41, 1.46 and 1.44 of the Federal Communication Commission's ("FCC" or "Commission") General Rules of Practice and Procedure, 47 C.F.R. §§ 1.41, 1.46 and 1.44 (1997), the National Association of Regulatory Utility Commissioners ("NARUC") respectfully requests that the FCC extend the time for filing for all States to submit cost models from April 24, 1998 to a date 90 days after the FCC issues the data inputs for its chosen model.

In support of this request, NARUC states as follows:

**I. NARUC'S INTEREST**

NARUC is a quasi-governmental nonprofit organization founded in 1889. NARUC's members include the governmental bodies of the fifty States, the District of Columbia, Puerto Rico, and the Virgin Islands, which regulate carriers and utilities. These officials are charged with, among other things, the duty of regulating the telecommunications common carriers within their respective borders.

That charge requires these regulators to assure the establishment of such communications services and facilities as may be required by the public convenience and necessity, and the furnishing of service at rates that are just and reasonable.

As the FCC acknowledged by offering States the option to submit cost models, and Congress acknowledged by providing a significant role for State interests under §254 of the Act, every NARUC member commission has an intense interest in this proceeding because of the potential impact on Universal Service in their respective jurisdictions. As a result, *in a recent conference call with representatives from over 35 NARUC member States*, NARUC was asked to file the instant pleading seeking another extension of the filing deadline.

## II. RATIONALE FOR REQUEST

In late October of 1997, NARUC and a number of its members filed separate requests for an extension of the State cost model filing deadline. NARUC, *which based its request on the wishes of the **majority** of its members*, sought an extension till *September of 1998*.

Richard Metzger, Chief of the Common Carrier Bureau, in an order dated December 3, 1997, found that the multiple requests for extension had merit and partially granted them by extending the original filing date to April 24, 1998. Significantly, in ¶ 5 of that order, the FCC, recognizing the “importance and complexity” of the proceedings, acknowledged that “NARUC . . . ha[s] argued convincingly . . . that the February . . . deadline does not provide states with sufficient time to complete the proceedings necessary, many of which are underway, to develop reasonably accurate cost studies.”

The arguments supporting our original request for an extension, which the FCC found convincing, were based upon two anticipated events. Specifically, our October pleading pointed out that (1) many States were hoping to use the FCC's chosen "platform" (fixed assumptions and algorithms) – expected in late December 1997 - as part of their proceedings, and (2) the “final” versions of the leading proposed models would not be available until mid-November 1997. As NARUC argued in October, without these critical elements:

“[e]ven for States with full blown proceedings underway, the gap between November 1997 and the current due date for State submissions, February 1998, is impossibly short. If the final versions become available in November, as scheduled, that gives the States involved a bit less than three months to receive rebuttal evidence, allow discovery, hold hearings, and make a final ruling. As the FCC own experiences thus far suggest, when dealing with these cost models, three months is not a great deal of time. Indeed, the FCC itself, which has been focused upon these models for a significantly longer period of time, anticipates that it will be able to complete its review only late next year.” NARUC October Petition at 4.

Unfortunately, neither of the anticipated occurrences took place on schedule. The FCC did not select a model as the basis for further Commission action in December as expected. Nor, as noted in a recent February 3, 1998 FCC Public Notice (“Notice”), [DA 98-200 ] did reasonably “final” versions of the Cost models become available in mid-November. Only on December 11, 1997, “did the proponents of the Benchmark Cost Proxy Model and the Hatfield Model file[] revised versions of their models in the record of this proceeding. On December 29, 1997, the developers of the Hybrid Cost Proxy Model (HCPM) made a new version of their model available via the World Wide Web.” Notice at 2.

Moreover, again as the FCC stated in its February 3, 1998 notice, “[s]ince December 11, 1997 ... the Commission has continued to receive revisions of the models. While the Bureau recognizes that changes to the models have resulted in valuable enhancements, a continual state of flux in the status of the models compromises the Commission's ability to select a platform for the federal mechanism in a timely fashion.”

It is not surprising that these delays in filing “final” versions, that are “compromising” the FCC’s ability to select a platform and causing other problems, have had similar impacts in the States. Moreover, even those few States whose proceedings have not been retarded by waiting for the FCC’s selected platform as a component, are running into unexpected difficulties. In addition, there are still some unresolved issues pending before the FCC on rehearing in this and the access charge proceedings will almost certainly have a significant impact on how the States formulate either their own models or cost inputs. Finally, during the conference call among NARUC’s members, it became clear that a complete State assessment of any alternative model would be difficult without knowledge of both the FCC’s proposed platform *and* the FCC-defined inputs for its model.

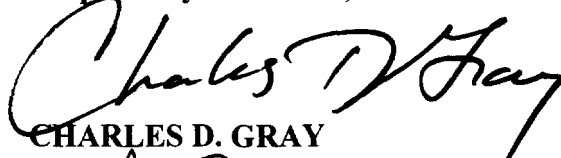
NARUC contends that States should be given adequate time to produce thoroughly developed cost studies and adequate time to review the FCC proposal. Moreover, as it is not clear when the FCC will be able to take action and release its proposed inputs and platform, it is difficult to choose a date certain as an appropriate extension date.

Accordingly, given the need to review alternative proposals in light of the FCC's platform selection and input determinations, and the uncertain timing for the release of these items, we respectfully suggest that an extension of three months past the date of the FCC's release of this information is the minimum needed for States to take effective action.

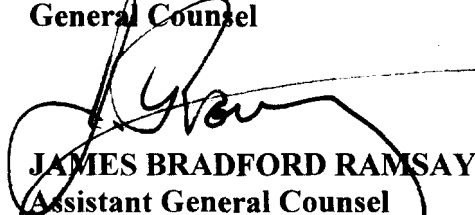
### **III. REQUEST**

Accordingly, because of the delayed release of the FCC's model choice, the delayed release of the FCC's chosen input data, the delay release of the final version of the major models, the need for more time to complete proceedings, the uncertainties raised by potential FCC action on rehearing, and the other reasons outlined above, NARUC respectfully requests the FCC grant its request for an extension of time to file completed State cost studies from April 24, 1998 to 90 days after the FCC releases its data inputs for its chosen model.

Respectfully submitted,



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**JAMES BRADFORD RAMSAY**  
Assistant General Counsel

**National Association of  
Regulatory Utility Commissioners**

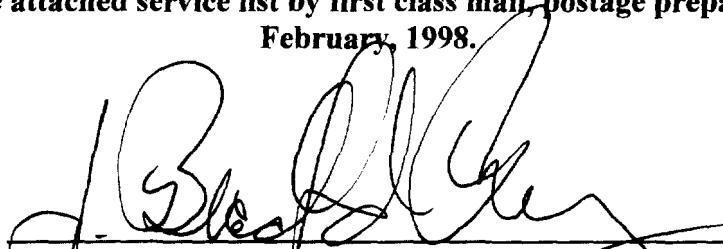
**1100 Pennsylvania Avenue, Suite 608  
Post Office Box 684  
Washington, D.C. 20044**

**(202) 898-2200**

**February 24, 1998**

**CERTIFICATE OF SERVICE**

**I, JAMES BRADFORD RAMSAY, certify that I have served a copy of the foregoing on all the parties on the attached service list by first class mail, postage prepaid, this 6th day of February, 1998.**



James Bradford Ramsay  
Assistant General Counsel